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# INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE  
ALCOHOL AND TOBACCO TAX DIVISION

WASHINGTON 25, D. C.

Industry Circular No. 67-8

July 14, 1967

## AMENDMENT OF REGULATIONS IN 26 CFR PART 198

Proprietors of Volatile Fruit-Flavor Concentrate  
Plants and others concerned:

This circular is being issued to advise you of the publication in the Federal Register for June 30, 1967, of Treasury Decision 6923, amending the regulations in 26 CFR Part 198, Production of Volatile Fruit-Flavor Concentrates.

Treasury Decision 6923 amended Part 198 by liberalizing the provisions of § 198.114, having to do with the removal of concentrate, and by adding a new section, § 198.114a, incorporating the provisions of Revenue Ruling 65-253, having to do with the addition of water to concentrate in order to achieve compliance with the limitations of §§ 198.114 and 198.116.

Under the amendments, concentrate having not more than 15 percent alcohol by volume may be removed from the concentrate plant without the addition of any substance, unless the concentrate is found to be fit for use as a beverage. This will replace the rule which now states that concentrate may not be removed without the addition of a substance if the concentrate has over 6 percent alcohol by volume.

The amendments made by Treasury Decision 6923 become effective August 1, 1967.

For your information and guidance, a reprint of Treasury Decision 6923 is being printed and will be furnished to you when it is available.

Inquiries regarding this circular should refer to its number and be addressed to your Assistant Regional Commissioner, Alcohol and Tobacco Tax.

*Harold A. Serr*

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